Mr. Fogarty-4/30/59
1960 Appropriations, Labor-HEW

Every member of Congress, and particularly every member of an Appropriations Committee, knows how often one is torn between the need to provide additional funds for critically important National programs and the need to retain appropriate restraints on Federal spending. This dilemma is particularly acute when the programs affect all instead of just some of the people, and when the programs are intimately identified with the people's hopes and expectations instead of dealing with expedients and abstractions.

In the recent consideration by our Committee of the 1960 appropriation request made by the Administration on behalf of the Department of Health, Education, and Welfare, it became abundantly clear as the testimony unfolded that arbitrary fiscal ceilings had been imposed on many of its programs without regard for their needs, their merit, or their public support. In other words, the concept of the balanced budget was applied regardless of the public interest.

I want to make my personal position in this matter crystal clear on the record. I believe in the elimination of nonessential Federal spending. I believe that as individuals and as a nation of interdependent individuals, we should try to live within our income. But I do not believe that we can apply flat, mathematical restrictions to any single item of Federal financing without first considering the effect it has and will have on the lives of the people. And I do not believe we can consider one year's appropriation without first considering whether

it is an investment with a certain return at compound interest, or merely an expenditure.

All of us make our budgets, of course. But we also make sure that in so doing, we provide adequately for the essentials and cut back on items that are less essential. This makes budgeting a judgmental as well as a mathematical calculation.

Who among us, in making his budget, would say, "This is all I will spend for the health of my children and my family--I don't care if prices have gone up, I don't care if by increasing my investment this year I can is help them be more healthy and productive in years to come--this/all I spent last year, and I will spend exactly the same amount this year, regardless." Yet this is the slide-rule approach that has been taken by the Administration in planning many of its programs for 1960.

The Administration's 1960 Budget Proposals for the National Institutes of Health

Let me illustrate by summarizing what the record shows concerning the appropriation requests for the National Institutes of Health—that part of the U.S. Public Health Service which has the primary Federal responsibility for medical research today and for building the Nation's resources for an even stronger research attack on disease in the years to come. All of us here know that the National Institutes of Health have won a tremendous amount of public and professional support in recent years. We know, too, that such support means three things: first, that these programs meet a need that is widely recognized and accepted; second, that

these programs have produced and are producing knowledge that the people can see is paying off in the reduction of disability and the prevention of premature death; and third, that these programs are conducted with scrupulous care so that scientific considerations govern the use of the funds and at the same time the public interest is protected.

Yet, in that part of our Committee's work that relates to the appropriation levels for the National Institutes of Health, we were this year confronted with a bewildering and inexplicable set of contradictions.

The President's 1960 Budget Request for the National Institutes of Health is for the same amount of money that the Congress appropriated last year for these programs -- \$294 million. Both the President and the Secretary of Health, Education, and Welfare indicated their own general dissatisfaction with this submission, saying that the matter "remained under study" and that the results of the study "would be made available" to the Congress. Starting with the President's Budget Message in January and continuing through the Secretary's testimony before our Appropriations Committee in March, it has been perfectly evident that the Administration did not want to be identified with or committed to its own budget request for medical research. It has also been perfectly evident that the Secretary of Health, Education, and Welfare was trying to persuade the Office of the President that the 1960 appropriation requests for the National Institutes of Health should be amended upward to meet at least some of the glaring deficiencies in the President's Budget. But the Administration kept the matter open instead of taking a firm position on what these appropriations for medical research should be.

Our Committee gave the Administration every possible chance to clarify its final position on this matter. We even interrupted our hearings for a period of five weeks because the Secretary told us he needed additional time to prepare and present his views to those who make the fiscal policy for the Administration. Finally, and still without any modified proposal from the Administration, the Committee was forced to resume its hearings and consider the National Institutes of Health appropriations on the basis of their merits and needs.

The record of those hearings speaks for itself and should be read by every member of Congress. The witnesses for the National Institutes of Health were in an awkward, almost intolerable position. They were called upon to defend an indefensible budget request. Their own conservative estimate of need--both their preliminary estimate in the summer of 1958 and their estimate resubmitted in February of 1959, after months of careful reappraisal--was nearly \$60 million above the President's Budget. They knew that the Administration was still considering some compromise figure at about half that amount. Yet the budget request they presented and were asked to defend was a "hold-the-line" figure identical with their 1959 appropriations of \$294 million.

As the hearings progressed, it became abundantly evident to every member of the Committee that the President's Budget for the National Institutes of Health is not a responsible budget. It is not even a "hold-the-line" budget, since some 15 million dollars will be required just for the increased cost of doing the same amount of business in 1960.

The Executive Budget made no provision for such increased costs. Moreover, it cuts another \$10 million from the funds available in 1959 for matching grants to assist in the construction of research facilities—a program to which the medical schools and universities give top priority. Thus the President's Budget, defended as a continuation in 1960 of program levels established in 1959, is in fact a \$25 million cutback in terms of the substance of the program it would support.

More important, however, is the fact that a \$294 million budget request for NIH is a repudiation of principles and programs that have been built up consciously as a matter of policy during the past fifteen years. During this time, there has been ample evidence of widespread, whole-hearted, and enthusiastic support of what these programs stand for-support that is virtually without dissent in a society where the freedom and opportunity for dissent is axiomatic. With Congress in a position of leadership, often in the face of lethargy or even overt opposition from the Administration, there has been built up gradually a medical research program of which we as a Nation can justifiably be proud.

I do not want to be part of any action that threatens the stability or effectiveness of these splendid programs—and "threatens" is not too strong a word. The thing the Bureau of the Budget apparently does not recognize or accept is that an essential characteristic of what has been created is stability based on assurance of a normal increment of growth. We can not let it stand still or go backward.

We have encouraged the training of brilliant young scientists for

careers in medical research -- a \$60 million program under NIH appropriations alone this year. Are we, then, to deny these scientists the opportunity to do the research for which they are trained?

We have stimulated the construction of modern research facilities—a \$30 million program of NIH this year. Are we, then, to limit their effective use by failing to provide funds for the research projects to be carried out in these new facilities?

We have helped create a comprehensive pattern for the support of high quality medical research in non-Federal institutions—a program which this year provides funds for some 8,000 research projects. Are we going to say to these scientists and scientific institutions, by our action, that their support this year may be reduced or terminated next year—that Federal funds are uncertain and unstable—that they are unwise if they count on research grants from the Government as part of their individual and institutional long—range plans?

The responsiveness and stimulus of Congress have been instrumental in bringing into being the NIH's own splendid facilities and productive program at Bethesda, Maryland. Are we now to say to these laboratory investigators and clinical investigators that they must pay for the increased cost of living and of working in a research environment by eliminating certain of their own research projects?

These are some of the reactions I have to the \$294 million budget, which I feel to be completely inadequate. If it were to be even seriously considered, it would have an unfortunate impact on the whole of medical science,

since it would show lack of confidence on our part and would inevitably raise the question of whether Congress might not withdraw even further from its established responsibilities to the scientists and scientific institutions participating in this program.

Discussion of More Adequate Proposals for NIH Appropriations

Since the budget request before the Committee was essentially useless and evidently unrelated to any reasonable 1960 appropriation action by the Congress, we elected to give our primary attention to the substance of the program contained in a set of figures that we caused the Secretary of Health, Education, and Welfare to enter into the record, representing what the National Institutes of Health officials themselves thought should be their 1960 appropriation.

We felt we had to get these facts if we were to make a sound recommendation to the full committee and to the House of Representatives.

The record provides convincing evidence that a \$351 million proposal made by the Public Health Service to the Secretary this February, after months of study, was a conservative figure. One can understand how this might be when he thinks of the circumstances under which it was evolved. Speaking personally, I am always reassured when I find that budget requests to Congress are characterized by conservative estimates.

The \$351 million proposal, however, which was not accepted by the Administration, would permit these programs to move ahead instead of standing still or being cut back. It would provide funds to finance grant applications from promising new investigators with new ideas and

to extend support to areas of emerging research need. It would permit more emphasis to be given to training for research and academic careers in the basic sciences as well as critical shortage areas in clinical research fields. It would enable the NIH scientists at Bethesda to carry out plans for qualitative strengthening of research and better use of facilities, including occupancy of the new Biologics Standards building that is now nearing completion. And it would permit modest extension of efforts to apply research knowledge in certain control, demonstration, and technical assistance programs.

I cannot, myself, understand why the Administration was unwilling to accept these conservative proposals. Year after year the Congress, the American people and the professional world have stated their conviction that these programs should move forward, and have demonstrated their conviction in action. It is hard to believe that the Administration has not yet received the message.

One wonders what has become of the forthright Administration policy of several years ago, which in essence said that no sound research project involving a fully trained investigator in a suitable research environment should go unsupported for lack of funds.

One also wonders if the Administration has heeded in any major respect the advice and recommendations of the group of distinguished consultants headed by Dr. Bayne-Jones, whose advice--under any interpretation-was to move ahead with affirmative leadership in this field of medical research.

I know of no year in my many years of experience on this Subcommittee when the members have found themselves to be in such accord
on a usually controversial appropriation item. We were in unanimous
agreement that substantial increases would have to be made above the
President's 1960 budget request for the National Institutes of Health.
And I would like here, as one who feels it a great privilege to chair this
Sub-committee, to acknowledge and pay tribute to my distinguished colleaguesCongressmen Denton of Indiana, Marshall of Minnesota, Laird of Wisconsin,
and Cederberg of Michigan-who have devoted a tremendous amount of time
and attention to the work of this Committee. The people of the United States
are fortunate indeed to have their interests represented by men of such
vision and integrity.

It was only after we had completed our action and prepared our report to the full Committee on Appropriations that I received a communication from the Secretary of Health, Education, and Welfare telling me that the Administration has decided <u>not</u> to amend its budget request for medical research and related activities under appropriations to the National Institutes of Health.

It is interesting to note that although this was the decision, the letter also states that the Secretary regards the field of medical research "as of very high priority and deserving of broad and increasing national support."

Our Committee on Labor and HEW Appropriations agrees with the Secretary on this latter point. And I am pleased to say that the full Committee on Appropriations concurred with our recommendation to provide such increasing support.

Medical Research and the People's Health

My discussion up until this point has been focused on dollar levels for the support of medical research through the programs and activities of the National Institutes of Health. This is understandable, not so much because we are an appropriations committee, but because there has been so much fiscal uncertainty associated with the Administration's request.

But I never forget, and I know you, my colleagues, can never forget, that these dollars are invested rather than spent. They are invested in the better health of more people, now and in years to come.

Scientists like to say that we can to buy results in a literal sense. In a literal sense, I agree with them. And I recognize the inadvisability of bringing that kind of pressure to bear on the scientific world.

I do know, however, from our experience of the recent past, that we can buy results in a more general sense. We can do this by just what we have been doing—by helping make it possible for more and more scientists to carry out studies in their chosen field, by fostering a total creative research environment, and by strengthening the Nation*s resources for medical research in the future.

The product of such an effort we can see all aroung us and--in many instances--experience for ourselves. This child is born free of defects associated with childbirth. This youngster can have a hole in his heart

chamber repaired. This man can live comfortably and productively with high blood pressure. This woman had cervical cancer diagnosed early and was cured. This child escaped damage to his heart because rheumatic fever was prevented. This young man has been cured of his epilepsy by brain surgery. This elderly lady can live comfortably with her arthritis. This man lost a lung in his fight against cancer, but his life was spared. This baby, born prematurely might have been blind, but because of medical research her eyes are perfect.

There are so many such benefits from health research all around us that they are too often taken for granted. We must never forget that they are derived from study—from the opportunity given scientists to satisfy their endless curiosity to know more about man, man²s health, and man²s disease. And we must never forget that a few short years ago, most of the advances now taken for granted would have been considered miracles.

There are other, even greater, miracles ahead. We cannot know what they are, in specific terms, nor when they will be revealed.

There was a time, long since, when I was among those who gave support to medical research on the basis of faith. Now, my support is a matter of conviction. I know that somewhere, perhaps just around the corner, perhaps at or near the horizon, there are answers to questions that need to be answered if people are to be free of doubts and fears about their health,

and free of the terrible and all-too-frequent realization of those doubts and fears in the form of tragic disablement or premature death. I feel that in no small measure, man²s ability to cope with the baffling issues of an ever more complex and challenging set of social and political forces is dependent upon his ability to face those issues with complete physical and emotional well-being.

I, for one, am unwilling to be a factor in any process that, on the basis of short-sighted fiscal expediency, will delay sustained progress toward the goal of better health.

The Issue of Stability and Growth in Medical Research

In a very real sense, we are today at a turning-point in the acceptance of our Federal share in the responsibility for medical research.

Ever since World War II, we have been building a solid foundation for medical research in this country. No one part of our society has been alone in this undertaking. For the building process has been carried out in a truly American tradition. Industry, voluntary health agencies, foundations, state and local sources, private and public agencies of all kinds have taken part. Underlying the whole effort has been the sense of urgency and purpose of the American people.

One part of the structure that is being created--a major part--is the medical research done as a result of the appropriations to the

National Institutes of Health. The funds we make available for its programs constitute more than two-thirds of the Federal Government's total support for medical research and more than one-third of America's total investment in medical research. Thus the final action of Congress on these appropriations has a tremendous impact on what we are doing as a Nation to protect the people's health.

We have a good plan and a sound foundation. The question is, are we ready to build? For anyone whose ear is attuned to what the people want and expect, there can be only one answer to that question.

How fast shall we build? My answer to that is that we should build as fast as is consistent with sound construction practices, according to the consensus of the judgments of professional experts. But I want us to build. I do not want us merely to stand and observe the foundation and think about what a fine building may be constructed there—some day.

What are we building for? The people answer that question with questions of their own:

.... Can we find a way to prevent mental retardation and the other diseases and deformities associated with the period before and during the birth process?

....Can some way be found to prevent cancer, as by a vaccine?

If not, can we find better ways to diagnose cancer early, and better ways to treat it?

....Can we, by diet or some other means, find a way to prevent the occurrence of heart attacks?

....Can we find better ways to treat mental illness? Andeven more important-can we learn to understand what causes severemental
disturbance and thus be better able to prevent it?

It is worth noting that although people tend to be most intensely interested in the particular disease or condition from which they or their loved ones suffer, they are deeply concerned with progress in all fields. There are few ways in which man more clearly demonstrates his basic humanity.

A Reasonable Step Forward in 1960

The records of the House of Representatives will show that I have been continuously identified with health and medical research appropriations since World War II. For about half of that time, I have served as chairman of the committee with responsibility for these and other programs in the education and welfare fields.

During this time, my stand as an individual on the question of medical research, as on all matters that come before the committee, has been conservative and realistic and practical. My position has been that medical research must move forward to new frontiers, but that there must be ample evidence that the funds provided are not wasted or used for purposes other than those for which they are appropriated. I take a

great deal of pride in the fact that my emphasis has been on determination of how funds can <u>effectively</u> be used, not just on how they can be used.

During this time, I have acquired a deep respect for the judgment and integrity of the officials at the National Institutes of Health and a sincere admiration for the programs and mechanisms they have developed for providing funds to medical schools, universities, hospitals, and other research institutions. In this process, a great deal of attention is given to the quality of the research to be supported. And twice in the last five years sizeable amounts of money have been returned to the Treasury at the end of the year instead of being expended for projects of whose excellence the scientists could not be absolutely certain.

I have found, too--in part because of their basic conservatism, and in part because of the varying but almost always severe restraints placed on them by the Administration in the budget formulation process--that the NIH officials usually come before the Congress with an appropriation request that is significantly below the true needs of the scientists and research institutions for support of projects of outstanding quality and promise. Thus in every year but one in the past decade, the final action of the Congress has been to increase the appropriation request made by the Administration for the National Institutes of Health.

As we look at 1960, it seems perfectly evident that we will again be required to follow this pattern if we are to act in the public interest. Speaking for our Committee, I therefore propose that we set aside the President's 1960 Budget for the National Institutes of Health as the empty gesture that it is, and that we appropriate a total of \$344 million for these vitally important medical research activities. If we do this, we will be making available approximately the amount of the NIH's own conservative estimate of need. Actually it is approximately \$7 million more than this estimate for research and training, since the NIH estimate included \$14,000,000 for increased allowance for indirect costs which the Committee has not allowed.

In addition to the increases proposed for research, research training, and related activities, we propose restoration of the \$10 million cut in the President's Budget from funds authorized for matching grants to assist in the construction of health research facilities. This program, which is also administered by the National Institutes of Health, has been at a level of \$30 million for several years. I know from first-hand observation that it is a most effective program that meets one of the pressing needs of the medical schools and other research institutions as they seek to meet their growing responsibilities in future years. I simply cannot comprehend why the Administration would seek to cut this program back by one-third, unless it was just another part of the effort to make the President's 1960 Budget appear temporarily balanced at the time of its transmission to Congress in January. And I urge continuation of this program in 1960 at its authorized and its present operating level.

H.R. 6287 and its accompanying report provide that additional funds totalling \$50 million, exclusive of construction, be made available for the heart, cancer, mental health, and other research programs of the National Institutes of Health. The Committee has and expresses full confidence that the additional funds within each appropriation will be distributed wisely and used effectively. It is assumed that, in general, the distribution will be similar to that established in recent years, in which some 80 percent of each appropriation is invested in non-Federal institutions -- in medical research and in research training carried out in medical schools, universities, hospitals, and other research and educational centers. The Committee also expects a small portion of the increase to be used to strengthen the Public Health Service's own medical research activities at Bethesda, to extend the application of research knowledge in fields of special promise in cancer and mental illness, and to maintain and extend the scientific review processes which are a primary reason for the tremendous amount of professional as well as public support that these programs have won.

Medical Research Provides Economic as Well as Humanitarian Benefits

For those of my friends and colleagues who are concerned with the rising inflationary spiral, as I am; and who are sincerely convinced that the Federal government must exercise the greatest of economy in the use of tax funds, as I do; and who are reluctant to see the Federal expenditure exceed the Federal income in 1960, as I am--I would point out that investment in medical research is not inflationary with respect to its impact on the national economy.

In the first place, medical research results in a decrease in expenditures for the care and treatment of diseases which cause a serious drain on our national economy. Moreover, as the results of medical research are applied in medical and public health practice, there is an increase in the productivity of our working force and of our Nation as a whole. Thus expenditures for medical research pay the kind of dividends that can be realized by few other long-term investments.

All of us know that it is standard industrial practice to reinvest up to 10 percent of profit in research. Certainly this does not contribute to inflation. Here, our investment is in life itself. And the cost is small as compared with the economic benefits that the Nation receives. One disease alone--mental illness--costs the Nation more than a billion dollars a year for care and hospitalization. This year, our total National investment in medical research is only about half of that.

It is not possible to prove this out on a profit and loss sheet. But

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if we assume--and it is a straightforward and fair assumption--that anything that constitutes a drain on our national economy without providing something in return damages the economy itself, then it is perfectly clear that illness and premature death adversely affect the economy. How can we reduce this adverse effect? By reducing the incidence and prevalence of disease. How can we accomplish this? By using today's knowledge better, to be sure--by making the best medical care services available to more of our people. But we also need to know more about how to prevent and control disease, and this is the knowledge that medical research has given us in abundant measure in the past and will provide even more abundantly in the future.

I have seen estimates that the 400,000 people who die from arteriosclerosis (one-third of them in the most productive age groups) represent an annual loss of income of some \$600 million and an annual Federal income tax loss of about \$75 million.

Of the more than $4\frac{1}{2}$ million Americans with high blood pressure, the economic burden from the high rate of disability is staggering.

During World War II, rheumatic fever alone immobilized more than 40,000 men in the Armed Forces at a total cost to the Government of \$640 million. At least a million Americans today have had or will have an attack of rheumatic fever, and half of these will be left with residual heart damage.

Respiratory diseases represent a cost in billions to industry through absenteeism and reduced productivity. During only a four-month period last

year, there were sixty-three million new cases of respiratory illness involving at least one day in bed.

It has been estimated that there are over 100 million days of disability each year among those who suffer from allergic diseases.

If the Nation's sufferers from intestinal disorders can be saved only one day of sickness a year, the tax gain to the Treasury will pay for the current level of research in these field for the next eight years.

The 700,000 cases of cancer under treatment at any given time run up an annual hospital bill of \$300 million. The total economic burden of cancer on the Nation is some \$12 billion a year.

Although 90 percent of those suffering with epilepsy have normal or nearly average mentality, many have been placed in State institutions at an approximate annual cost of \$35 million. A conservative estimate of the cost of epilepsy to the Nation is probably more than \$80 million a year.

These are just samples of the economic burden of illness.

When we look at the other side of the coin--the progress that has taken place leading to a reduction of such intolerable economic burdens--we find the record dramatic and convincing. The ability to diagnose and treat some forms of cancer; means for keeping diabetes under control; improvements in the treatment of schizophrenia; better management of arteriosclerosis

and hypertension; significant improvements in all forms of surgery; preventive measures for many of the major infectious diseases; new ways to treat arthritis and rheumatism; marked improvement in tuberculosis therapy; these and literally dozens of other major advances signify millions of dollars saved and the significant reduction of burden on the national economy.

The Nation's investment in medical research seems small indeed compared with the gains of the past and the grave problems of the future on which the attention of medical research is focused.

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In sum, my colleagues, I ask you to join in a forthright, eyesopen effort to move ahead toward the prevention and control of disease through increased support of medical research.

First, the resources--both manpower and facilities--are available for an expanded effort; moreover, our actions in the past have had no small part in making these resources available.

Second, the confidence of the scientific community would be badly if not irreparably damaged if we were to accept a timid approach which is geared only to political economies and overlooks the public interest.

Third, the people want and expect the Congress to continue to give affirmative leadership in this field, having demonstrated by their words and by their deeds that they consider the search for better health through

research to be a vital and appropriate Federal function.

Fourth, there is ample evidence that advances even more dramatic than those of the recent past are within reach if we but sustain and strengthen our medical research effort.

I do not minimize the importance of \$60 million dollars in terms of the national economy.

On the other hand, when viewed from the point of view of the people's health, and the economic and social burden of illness, disability, and premature death, \$60 million is a small added price to pay indeed for assuring stability, continuity, and forward movement in that part of the national medical research effort which is the responsibility of the Federal government.

I urge your acceptance and whole-hearted endorsement of the Committee's proposal to increase the President's 1960 Budget Request for programs administered by the National Institutes of Health by a total of \$60 million.